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Supreme Court, U.S.
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No. 10-1161

Supreme Court of the United States

HOWMEDICA OSTEONICS CORP.,
Petitioner,

v.

ZIMMER, INC. AND CENTERPULSE ORTHOPEDICS, INC. (FORMERLY KNOWN AS SULZER ORTHOPEDICS, INC.) AND SMITH & NEPHEW, INC.,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

RESPONDENTS' JOINT OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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RULE 29.6 STATEMENT

Pursuant to Supreme Court Rule 29.6, Respondents Zimmer, Inc. and Centerpulse Orthopedics, Inc. state that Centerpulse Orthopedics, Inc. changed its name to Zimmer Austin, Inc. and was merged into Zimmer, Inc. Zimmer, Inc. is wholly-owned directly and indirectly by Zimmer Holdings, Inc. There is no parent corporation or any publicly-held corporation that owns 10% or more of Zimmer Holdings, Inc.'s stock. No other publicly-held company owns 10% or more of Zimmer, Inc.'s or Centerpulse Orthopedics, Inc.'s stock.

Pursuant to Supreme Court Rule 29.6, Respondent Smith & Nephew, Inc. states that Smith & Nephew, Inc. is a wholly owned, indirect subsidiary of Smith & Nephew plc. Smith & Nephew plc is a public entity incorporated under the laws of England and Wales. No publicly held corporation owns more than 10% or more of the securities of Smith & Nephew plc.

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ARGUMENT

Petitioner did not timely raise the Questions Presented, and as a result, the lower courts did not issue opinions on either of the questions now presented to this Court. Moreover, Petitioner challenges the lower courts' routine application of the well-entrenched standard for determining indefiniteness at the summary judgment stage. Petitioner's request for factbound error correction, where there is no error, should be denied.

I. PETITIONER DID NOT RAISE THE QUESTIONS PRESENTED IN THE LOWER COURTS.

Petitioner did not raise the first question presented—relating to a patentee's Seventh Amendment right to a jury trial on the issue of indefiniteness—in either of the courts below. Consequently, none of the parties briefed this issue nor did the Federal Circuit or District Court address it in their opinions.

Petitioner did not raise the second question presented—relating to the Federal Circuit's alleged treatment of indefiniteness as a pure question of law—until its petition for *en banc* review at the Federal Circuit. The Federal Circuit denied Petitioner's *en banc* request without opinion. (Pet. App. at 1a-2a).[1] Consequently, Respondents did not have a chance to brief this issue at the District

[1] Pet. App. refers to Petitioner's Appendix.

Court, and neither the Federal Circuit nor District Court addressed it in their opinions.

Indeed, because the Federal Circuit affirmed the District Court's opinion per curiam under Federal Circuit Rule 36, there is no appellate opinion at all. (Pet. App. at 3a-4a). "Where issues are neither raised before nor considered by the Court of Appeals, this Court will not ordinarily consider them." *Penn. Dep't of Corr. v. Yeskey*, 524 U.S. 206, 212-13 (1998) (citations and quotation marks omitted); *see also Cutter v. Wilkinson*, 544 U.S. 709, 718 n.7 (2005) ("[W]e are a court of review, not of first view."); *City of Springfield v. Kibbe*, 480 U.S. 257, 258 (1987) ("We ordinarily will not decide questions not raised or litigated in the lower courts."). Petitioner has offered no reason for this Court to depart from its ordinary practice here. Accordingly, the Petition should be dismissed for this reason alone.

II. PETITIONER'S ARGUMENTS ARE BASED ON FALSE LEGAL PREMISES.

Petitioner relies on an incorrect recitation of the law of indefiniteness. First, the legal standard for indefiniteness was not altered by this Court's decision in *Markman v. Westview*, 517 U.S. 370, 388-390 (1996). Second, the Federal Circuit never precluded the issue of indefiniteness from ever being subject to underlying factual determinations. Therefore, the Petition is based on entirely false legal premises.

A. THE LEGAL STANDARD FOR JUDGING INDEFINITENESS HAS NOT CHANGED SINCE THIS COURT'S *MARKMAN* DECISION.

The Federal Circuit did not change the legal standard for judging indefiniteness subsequent to this Court's decision in *Markman v. Westview Instruments*, Inc., 517 U.S. 370, 388-390 (1996).

Prior to *Markman*, the Federal Circuit held the question of indefiniteness is a matter of law subject to *de novo* review. *See, e.g., N. Am. Vaccine, Inc. v. Am. Cyanamid Co.*, 7 F.3d 1571, 1579 (Fed. Cir. 1993), *citing Stiftung v. Renishaw plc*, 945 F.2d 1173, 1181 (Fed. Cir. 1991). The test for indefiniteness was "whether those skilled in the art would understand the scope of the claim when the claim is read in light of the specification." *Id., citing Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986); *Miles Labs., Inc. v. Shandon Inc.*, 997 F.2d 870, 875 (Fed. Cir. 1993).

Contrary to Petitioner's assertion, the Federal Circuit has not since changed its view of the law of indefiniteness. It continues to be a question of law that is subject to *de novo* review. *Honeywell Intern., Inc. v. U.S.*, 609 F.3d 1292, 1301 (Fed. Cir. 2010); *Hearing Components, Inc. v. Shure Inc.*, 600 F.3d 1357, 1366 (Fed. Cir. 2010). The test remains whether those skilled in the art would understand the scope of the claim when read in light of the specification. *Amgen Inc. v. F. Hoffman-LA Roche Ltd.*, 580 F.3d 1340, 1371 (Fed. Cir. 2009), *citing Miles Labs., Inc. v. Shandon Inc.*, 997 F.2d 870, 875 (Fed. Cir. 1993).

Therefore, the Federal Circuit did not "inconsistently extend" this Court's *Markman* decision to indefiniteness as Petitioner suggests. (Pet. Brief at 15). Indeed, the Federal Circuit's standard for judging indefiniteness has remained constant since at least the passage of the Patent Act of 1952.

B. CONTRARY TO THE PETITIONER'S ARGUMENT, INDEFINITENESS CAN BE SUBJECT TO UNDERLYING FACTUAL DETERMINATIONS.

Petitioner wrongly claims that Federal Circuit law developed since *Markman* holds that a determination of indefiniteness on summary judgment can *never* be subject to underlying factual issues. The Federal Circuit's precedent expressly contradicts this claim.

As recently as last year, the Federal Circuit made clear that "[d]efiniteness, under 35 U.S.C. §112, paragraph 2, and enablement, under paragraph 1, are *both questions of law with underlying factual determinations*." *Green Edge Enters., LLC v. Rubber Mulch Etc., LLC*, 620 F.3d 1287, 1299 (Fed. Cir. 2010) (emphasis added). The Federal Circuit has also found that certain circumstances may make determining definiteness "amenable to resolution by the jury where the issues are factual in nature." *BJ Servs. Co. v. Halliburton Energy Servs., Inc.*, 338 F.3d 1368, 1372 (Fed. Cir. 2003). As a result, the Federal Circuit properly reviews the ultimate question of indefiniteness *de novo*, while reviewing factual findings for clear error. *Tech. Licensing*

Corp. v. Videotek, Inc., 545 F.3d 1316, 1338 (Fed. Cir. 2008) (citations omitted).

The lower courts have consistently applied this standard, allowing juries to address underlying factual questions on the issue of indefiniteness when appropriate. *Sys. Mgmt. Arts Inc. v. Avesta Techns., Inc.*, 137 F. Supp. 2d 382, 399-400 (S.D.N.Y 2001) (finding "numerous district courts have treated the issue of indefiniteness under §112 ¶2 as an inquiry that is a question of law with underlying issues of fact"). As one court has stated:

> In light of the above persuasive authority, the Court concludes that the law on indefiniteness is not as rigid as NOVA contends. Although it may generally behoove the Court to address indefiniteness as a legal matter in the context of claim construction, there may arise cases where genuine issues of fact simply preclude such a treatment. In these circumstances, the question of indefiniteness must be addressed by the trier of fact.

Dow Chem. Co. v. NOVA Chems. Corp. (Canada), 629 F. Supp. 2d 397, 404 (D.Del. 2009) (finding "numerous district courts—both before and after *System Mgmt.*—appear to have followed this or similar reasoning") (citations omitted).

Petitioner ignores these more recent decisions from the Federal Circuit and various District Courts. Instead, Petitioner argues that in *Exxon Research & Eng'g Co. v. U.S.*, 265 F.3d 1371, 1376 (Fed. Cir. 2001), the Federal Circuit held that resolving the

issue of indefiniteness can never be subject to underlying factual determinations. (Pet. Br. at p. 16, 26). But the *Exxon* holding is not so broad; in *Exxon* the Federal Circuit simply reiterated that indefiniteness is a question of law "that is drawn from the court's performance of its duty as the construer of patent claims." *Id.* at 1376. Construing patent claims inherently requires a court to analyze a patent's intrinsic and extrinsic evidence.[2] *Id.* *Exxon* clarifies that performing the claim construction analysis does not necessarily result in a court improperly deciding underlying factual issues that prevent summary judgment. *Id.* As one lower court put it:

> Of course, if the issue of indefiniteness can be resolved based on the intrinsic evidence alone, then the question of possible disputes of underlying fact based on conflicting expert evidence will not arise, since extrinsic evidence is not properly considered in that situation. *See Vitronics*, 90 F.3d at 1584. Moreover, the fact that extrinsic evidence may be considered does not necessarily mean there is a genuine dispute of fact. This question must be evaluated under the ordinary standards applicable to a summary judgment motion, and bearing

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[2] Intrinsic evidence consists of the information in the patent itself (*i.e.*, the claims and specification) and the patent's prosecution history. Extrinsic evidence consists of all evidence that is external to the patent and prosecution history. Intrinsic evidence is considered more important and reliable in construing a patent's claims. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1314-1319 (Fed. Cir. 2005).

> in mind the burden of proof on the party alleging invalidity.

Sys. Mgmt. Arts Inc. v. Avesta Techs., Inc., 137 F. Supp. 2d 382, 400 (S.D.N.Y 2001).

This standard comports with this Court's recent precedent relating to a patent's invalidity for obviousness under 35 U.S.C. §103:

> In considering summary judgment on that question [obviousness] the district court can and should take into account expert testimony, which may resolve or keep open certain questions of fact. That is not the end of the issue, however. The ultimate judgment of obviousness is a legal determination. [citation omitted]. Where, as here, the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of these factors, summary judgment is appropriate. Nothing in the declarations proffered by Teleflex prevented the District Court from reaching the careful conclusions underlying its order for summary judgment in this case.

KSR Intern. Co. v. Teleflex Inc., 550 U.S. 398, 426-427 (2007). Therefore, this Court has already issued guidance on the proper role of the court when judging patent validity issues as a matter of law.

Petitioner's argument that *Exxon* prevents indefiniteness from ever involving an underlying factual issue is incorrect. Cases both before and

after *Exxon* demonstrate that the Federal Circuit has never pronounced, nor have the lower courts ever followed, such a rule.

III. BECAUSE THE LOWER COURTS APPLIED THE PROPER LEGAL STANDARD, THE APPLICATION OF THAT STANDARD TO THE FACTS OF THIS CASE IS NOT SUFFICIENTLY IMPORTANT TO GRANT THE PETITION.

As shown above, neither *Markman* nor *Exxon* (nor any other case) changed the law of indefiniteness as Petitioner claims. And Petitioner does not contend that the lower courts used the wrong legal standard. Therefore, this case presents neither a historical conflict in the law of indefiniteness nor a conflict between the lower courts in how to apply the law of indefiniteness.

To the contrary, it is clear that Petitioner's real issue is the application of the law of indefiniteness and summary judgment principles to the facts of this case, which does not justify this Court's review. "A petition for a writ of certiorari is rarely granted when the asserted error consists of erroneous factual findings or the misapplication of a properly stated rule of law." *Sup. Ct. R. 10*; *see also United States v. Johnston*, 268 U.S. 220, 227 (1925) ("We do not grant a certiorari to review evidence and discuss specific facts."). The lower courts' application of settled precedent to the specific facts of this case simply does not warrant this Court's review.

Regardless, there was no error in the lower courts' judgments. Petitioner's principal contention

is that summary judgment should not have been granted because it provided expert testimony. (Pet. Br. at 5). But applying basic summary judgment principles to the question of indefiniteness, the District Court appropriately found the expert testimony insufficient to create a genuine issue of fact because it was:

- ***conclusory***, (Pet. App. at 46a-48a, 13a-14a; 95a, fn. 15);
    - "Conclusory expert assertions cannot raise triable issues of material fact on summary judgment." *Sitrick v. Dreamworks, LLC*, 516 F.3d 993, 1001 (Fed. Cir. 2008), *citing Dynacore Holdings Corp. v. U.S. Phillips Corp.*, 363 F.3d 1263, 1278 (Fed. Cir. 2004); *see also, Arthur A. Collins, Inc. v. N. Telecom Ltd.*, 216 F.3d 1042, 1046 (Fed. Cir. 2000) (finding an expert's unsupported conclusions insufficient to raise a genuine issue of material fact.);
- ***contrary to the patent specification (i.e., the intrinsic evidence)***, (Pet. App. at 19a, 47a-48a); and
    - "As this court has repeatedly cautioned, extrinsic evidence cannot be used to vary the plain language of the patent document." *Default Proof Credit Card Sys., Inc. v. Home Depot U.S.A., Inc.*, 412 F.3d 1291, 1302 (Fed. Cir. 2005); *see also,*

Phillips v. AWH Corp., 415 F.3d. 1303, 1318 (Fed. Cir. 2005) ("Similarly, a court should discount any expert testimony 'that is clearly at odds with the claim construction mandated by the claims themselves, the written description, and the prosecution history, in other words, the written record of the patent.'");

- ***contrary to earlier positions taken by those same experts before the discovery of invalidating prior art***, (Pet. App. at 45a, fn. 4 and 47a, fn. 5; 91a, fn. 13).
    - "[A] party may not create a material issue of fact to defeat summary judgment by filing an affidavit disputing his or her own sworn testimony without demonstrating a plausible explanation for the conflict." *Jiminez v. All Am. Rathskeller, Inc.*, 503 F.3d 247, 251-252 (3d Cir. 2007) (noting every federal court of appeals has adopted some form of the sham affidavit doctrine) (citations omitted); *see also, Sinskey v. Pharmacia Opthoalmics, Inc.*, 982 F.2d 494, 498 (Fed. Cir. 1992) ("A party cannot create an issue of fact by supplying an affidavit contradicting his prior deposition testimony, without explaining the contradiction or attempting to resolve the disparity.") (citations omitted),

> *abrograted in part on other grounds, Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 67-68 (1998).

Therefore, the District Court was on solid legal ground in finding Petitioner's expert's declarations did not create a genuine issue of material fact that would preclude summary judgment. To find otherwise would make "summary judgment [ ] disappear from patent litigation." *Novartis Corp. v. Ben Venue Labs., Inc.*, 271 F.3d 1043, 1051 (Fed. Cir. 2001).

IV. CONCLUSION

Petitioner did not adequately raise below either of the questions it now presents this Court. As a result, neither the Federal Circuit nor the District Court issued an opinion on either question. Moreover, the case law makes clear that the law of indefiniteness has not changed over the past 50 years. Petitioner overstates the effect the *Markman* and *Exxon* decisions have had on the issue of indefiniteness in hopes of creating a legal issue worthy of this Court's review. This Court should deny Petitioner's request to review an issue that simply does not exist and that was not raised below.

Respectfully Submitted,

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